

MINUTES OF THE
JOINT HEALTH AND HUMAN SERVICES APPROPRIATION SUBCOMMITTEE
Wednesday, February 4, 2004, 2:00 p.m.
Room 131 State Capitol

Members Present: Sen. Sheldon L. Killpack, Committee Co-Chair
Rep. Jack A. Seitz, Committee Co-Chair
Sen. Paula Julander
Rep. J. Stuart Adams
Rep. Calvin G. Bird
Rep. David Litvack
Rep. Rebecca Lockhart
Rep. Roz McGee
Rep. Mike Thompson

Members Excused: Sen. Leonard Blackham

Staff Present: Spencer C. Pratt, Legislative Fiscal Analyst
Thor Nilsen, Legislative Fiscal Analyst
Norda Shepard, Secretary

Public Speakers Present: Robin Arnold-Williams, Executive Director, Department of Human Services
Emma Chacon, Director, Office of Recovery Services
Helen Goddard, Director, Division of Aging and Adult Services
Fran Morse, Director, Division of Services for People with Disabilities
Clay Hiatt, Financial Manager, Division of Services for People with Disabilities
Paul Day, Associate Director, Division of Services for People with Disabilities

A list of visitors and a copy of handouts are filed with the committee minutes.

The meeting was called to order by Co-Chair Killpack at 2:05 p.m.

1. Office of Recovery Services

Robin Arnold-Williams, Executive Director, Department of Human Services, stated that Analyst Thor Nilsen had discussed critical proposed building blocks in his summary on Monday and she has asked each Division director to address specific issues and building blocks in their presentations.

Emma Chacon, Director, Office of Recovery Services, indicated there are two building blocks which have been included in the Analyst's recommendations. She said one is an increase in rent for their facility in the Salt Lake area. She said the Division has occupied that building for 10 years and have just renegotiated a new lease for 5 years with an opportunity to renew for another 5. She said other options were considered, such as moving to another facility, but an estimate on the cost of moving was \$400,000. She said clearly the building block for the increase in rent would be less expensive. She indicated that the rent has increased from \$16.40 per sq. ft. to \$17.25 per sq. ft. with a 50¢ increase each year over the 5 years of the lease.

She said the other building block requested is for contracted programming services to modify ORSIS, which will be required with the implementation of the eREP system. She explained that one of the requirements between the child support program and third party liability programs for Medicaid is the on-going electronic interaction with the public assistance system. She said it is estimated it will take \$46,000 of programming costs in order to accommodate the implementation of eREP.

Ms. Chacon said there is concern also for the potential increase in process servers costs. She said the Division contracts with process services to serve over 15,000 documents a year. She indicated the Division is also seeing increased costs to the Attorney General's Office contracts to support the Division's activity in child support, collections for children, and Medicaid programs. She said these increases are not recommended in the budget but are concerns to the Division. She said that the impact of the current state of the economy has increased requests for modification of court orders and compounds the problem of funding for attorneys.

Analyst Thor Nilsen stated that these items mentioned by Ms. Chacon are in the Budget Analysis book under Red Tab 25, Pages 10,13, and 14 if committee members need more information. Mr. Nilsen distributed Department of Human Services intent language.

2. Approval of Minutes

MOTION: Sen. Julander moved to approve the minutes of 2-02-04.

The motion passed unanimously.

3. Division of Aging and Adult Services

Helen Goddard, Director, Division of Aging and Adult Services, distributed the Divisions's Annual Report for 2003. She stated the aging population continues to create many opportunities and, in some instances, real challenges to the state of Utah. She said 8.5% of the state's total population is over 64, and in some of the counties the rate is almost 17%. She referenced the Annual Report's Table of Content which will help the committee find information on specific programs of the Division. She said the introduction in the report goes over the demographics, issues, and challenges facing the senior population. She stated the strength of the aging programs is in the collaboration with federal, state, county and senior citizens programs. She said page 15 of the Annual Report shows the break down of funding for the programs.

Ms. Goddard said she would like to highlight some of the programs. One of these is the Out and About Program. This allows for a \$1 donation on the driver's license applications to assist the transportation needs of the disabled and elderly. The fund has about \$20,000 and is held in the State Treasurer's Office until sufficient funds are available to proceed. She said a portion of the funds collected were withheld by the Department of Public Safety to pay for programming costs. She said it is estimated that programming will cost approximately \$40,000.

She said she wanted to alert committee members to the problems they have because of cuts in funding during the last two years. She indicated the number of people waiting for in-home services is 557 and for home delivered meals is 100. She said adult protective services has funding only for its investigators and emergency funds to assist a person to get out of an abusive situation. She said all adult day care and foster care funds were deleted last year and long term care and nursing programs are greatly understaffed. She stated transportation continues to be a problem, especially in rural areas where there is no public transportation. She said it is important to offer alternatives to transportation options as seniors become unable to drive themselves.

Ms. Goddard stated that many things in aging programs are being dismantled just when the baby boomers are around the corner. She said the Division is looking with vision to implement programs with the network of state and local organizations to help find solutions to current and future problems. She said the goal is not to get everyone into service, but to help people learn as much as they can in order to be prepared for the aging process, and then to help those who have difficulty doing so. A discussion was held on abuse of the elderly which is addressed on Pages 26 and 27 of the divisions's annual report.

In response to questions of how the state is responding to the increasing elderly populations, Ms. Arnold-Williams stated the Department of Human Services is about ready to release a report entitled "Aging Initiative." She said this will not only impact the Department of Human Services but every single department in state government in every single community. She indicated the Department has been working across department lines and with the University

of Utah in outlining the dual challenge Utah will have with growth in both the youth and elderly populations. She said the initiative will also attempt to identify the major public policy issues for state government and communities that will stem from this demographic fact of life that is coming.

4. Division of Services for People with Disabilities

Fran Morse, Director, Division of Services for People with Disabilities, said she would like to start by stating that it is important to be aware of the waiting list and have it foremost in our minds because that is the touchstone by which it is judged how the budget and programs are being managed and indicates how well we are doing in getting people off that waiting list. She said there are three categories of demand on the budget. She said the waiting list is one. The other two are increasing costs for people already in service and a predictable group of people coming into the service from emergencies, court orders, or those already receiving Medicaid services through other Divisions.

Ms. Morse said the Analysts has recommended a \$420,000 appropriation to bring 120 people off the waiting list and a replacement of \$350,000 one time funding for non-waiver categories. She said these are basically the same as the Governor's budget. She indicated the Division is reviewing its service delivery process to create several million dollars of on-going savings. She indicated these non-lapsing funds will be used for emergency, court-ordered and aging out clients that are expected to come into service in FY 2004 and FY 2005. She indicated they would like one time funding to be on going.

She addressed the charts on Red Tab 24, Page 10 of the Analyst's book which shows the changes in number of people served and the related costs and a history of growth in services compared to growth in budgets. She indicated the Division is choosing the people who have the most needs. She stated that the people in these services are there for life and turn over is through attrition, either by people leaving the state or death. She stated that many people in the programs have additional needs as they age.

Ms. Morse stated the Division has a number of proposals to bring equilibrium to the budget. One of these is to look at the most costly packages and see if they can be cut down. Another proposal would require that any increase in services for a client is funded with a reduction in other service packages. The Division is also considering using a fixed cost residential alternative rather than the current residential model which now has varying costs according to the needs of the client. She said the Division is trying to serve each client in the most cost effective way. She said these savings could then be designated to the waiting list. She indicated that the fee schedule for non-waiver clients had been put into rule.

In answer to committee questions regarding collections, Clay Hiatt, Financial Manager, DSPD, said there was about \$2 million in denied claims in Medicaid payments from previous years. He stated there were technical things wrong with the submissions that needed to be corrected to be reprocessed. He said a great deal of work was done by the Division to enable that to happen. He said that they are now collecting in the years the bills are incurred over 95.5% of what we think should come to us from Medicaid. He said denied claims had been worked through by the Division which resulted in recovering about \$2 million.

Paul Day, Association Director, DSPD, explained that many of the technical problems had existed with the claims over multiple years. Many of the problems were differences in coding between the Health Department and the Division and once these came together the billings were able to be paid by Medicaid.

In answer to committee questions concerning pay to providers, Ms. Arnold-Williams stated that this issue will be addressed by the Executive Appropriations Committee. She indicated that all providers are in tough situations. She said it is difficult to operate on the same budget as costs go up. It is a true cost increase. She said she would also add to that the Division employees who have gone two years without a raise. She says the employees give their all and will keep doing that, but it is difficult to go year after year with no increases. She said this is a critical issue for both providers and staff.

5. Other Committee Business

Co-Chair Killpack stated that the committee meeting on Monday would be a public hearing concerning the Department of Human Services. He said a large group is anticipated and each person will be limited to five minutes. He requested that if there are many speaking to the same subject that one speaker be chosen to represent the group. He informed those wishing to speak that they could sign up in advance. Committee members were reminded to compile a priority list.

Analyst Spencer Pratt distributed Department of Health Intent Language for the committee members to review and a list of items identified by the Analyst for potential funding for the Department of Health.

MOTION: Rep. Bird moved to adjourn. The motion passed unanimously.

Co-Chair Killpack adjourned the meeting at 3:16 p.m.

Minutes reported by Norda Shepard, Secretary.

Sen. Sheldon L. Killpack
Committee Co-Chair

Rep. Jack A. Seitz
Committee Co-Chair